

# Foreign economic boycott may force change of policy—analysts

by Denis D. Gray of AP

A JAPAN-LED economic boycott by the international community could force change in Burma, where a military government crushed pro-democracy forces and now faces an angry populace and an economic crisis, some analysts say.

But others following chaotic events in the Southeast Asian nation say they are skeptical outside pressure could affect the top leadership, given its 26-year-long record of isolation and disregard of earlier calls for reform.

"There's very little leverage. If the outside world holds up its hands

in horror, they are still going to do what they think is necessary," one Bangkok-based diplomat said.

Japan, which accounts for some 80 percent of foreign loans and grants, has stopped sending assistance in recent weeks. West Germany, the No. 2 donor, froze its aid on September 5. Washington announced last week it was suspending all but humanitarian help.

These countries along

with Australia, China, the European Community, Great Britain, Soviet Union, Sweden and others have either expressed their concern over the violence or support for democratic forces in recent days.

Experts say the recent political turmoil has crippled an economy that had already been on a rapid downward spiral.

Now, factories have halted production, transport has been paralyzed and foreign currency reserves are virtually at zero while the foreign debt has climbed to more than US\$4 billion.

"They're in such bad shape that if the Japanese and others just say 'absolutely no more' until there is some kind of democracy, there would be changes," American economic consultant Robert Nathan said in an interview.

But Nathan, who has spent several years in Burma, said any economic boycott would have to be accompanied by continued popular — and probably bloody — resistance headed by a unified opposition coalition.

He said the Japanese had the greatest economic

clout in Burma. Actions of the United States, with only a modest aid programme of some \$14 million, could have a significant

"moral, psychological" impact.

In the past, Burma has been impervious to criticism by international human rights groups such as Amnesty International and even to advice on economic policy by such major aid donors as the World Bank.

Shunning all private foreign investment, Burma risked offending its biggest donor by closing down the Rangoon offices of Japanese companies in 1986.

Advocating strict neutrality, Burma pulled out of the non-aligned movement in 1979 and has taken other steps to minimize outside influence.

Many analysts say this policy was instituted by strongman Ne Win, in part to better assure his grip on power.

"There are no global powers colliding in Burma. Burma has been in the backwaters for 26 years," said Swedish Burma expert Bertil Lintner.

He said neither the Soviet Union and the United States nor giant neighbours China and India had real leverage with the Burmese leaders, and that all major powers have avoided interference

for fear of provoking the others.

Despite critical humanitarian needs, including basic medical supplies at hospitals overflowing with wounded victims, international emergency aid has to date been minimal.

"Maybe if you had good television footage of soldiers shooting down students in cold blood on the streets of Rangoon you would get international response," said one American journalist.

American Burma expert David Steinberg said a "carrot and stick approach" could induce change.

While halting all aid at the present, the major donors should at the same time formulate a comprehensive assistance programme to be implemented when a pluralistic system emerges in Burma, he said.

In the past, key donors, which include the World Bank and Asian Development Bank, have provided as much as half a billion dollars a year in assistance to prop up the faltering economy.

West Germany last year promised \$36 million, while Japan offered \$244.1 million in 1986, \$172 million last year and only \$27.5 million so far in 1988.

## Gremlin joins Saw Maung broadcast

AN unknown voice cut into the radio transmission of the first broadcast speech by coup leader Gen Saw Maung, making adverse comments on the speech.

"This is bluffing," a faint voice said in Burmese as the general claimed on Friday night he wanted to prevent misunderstandings between the defence forces and the people.

When Saw Maung spoke of "unscrupulous people" instigating demonstrations against the

regime, the voice broke in to say "unscrupulous, unscrupulous ... you are the unscrupulous ones".

At least two people monitoring and taping the broadcast confirmed the interruption, but said it was difficult to determine its source.

They said the much lower signal level of the interruption suggested it did not come from the broadcast studio.

It was possible that it could be jamming on the same frequency, they told UPI.

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